

DEPARTMENT OF DEFENSE EDUCATION ACTIVITY

DESCRIPTIONS OF THE CONCEPT OF REASONABLE ASSURANCE AND HOW THE EVALUATION WAS CONDUCTED

(TAB A)

The system of internal accounting and administrative control of the Department of Defense Education Activity (DoDEA), to include DoDEA Headquarters, DoD Domestic Dependent Elementary and Secondary Schools (DDESS), and DoD Dependents Schools (DoDDS), in effect during the fiscal year ending September 30, 2002, was evaluated in accordance with the guidelines issued by the Director, Office of Management and Budget Circular No. A-123 (Revised), "Management Accountability and Control," June 21, 1995, as implemented by DoD Directive 5010.38, "Management Control Program," August 26, 1996, and DoD Instruction 5010.40, "Management Control Program Procedures," August 28, 1996. The Office of Management and Budget guidelines were issued by the Director of the Office of Management and Budget, in consultation with the Comptroller General, as required by the Federal Managers' Financial Integrity Act of 1982. Included is an evaluation of whether the system of internal accounting and administrative control of the DoDEA is in compliance with standards prescribed by the Comptroller General.

The objectives of the system of internal accounting and administrative control of the DoDEA are to provide reasonable assurance that:

- obligations and costs are in compliance with applicable law;
- funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and
- revenues and expenditures applicable to agency operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the assets.

The evaluation of management controls extends to every responsibility and activity undertaken by DoDEA and is applicable to financial, administrative, and operational controls. Furthermore, the concept of reasonable assurance recognizes that the cost of management controls should not exceed the benefits expected to be derived therefrom, and that the benefits consist of reductions in the risks of failing to achieve the stated objectives. Moreover, errors or irregularities may occur and not be detected because of inherent limitations in any system of internal accounting and administrative control, including those limitations resulting from resource constraints, congressional restrictions, and other factors. Finally, projection of any evaluation of the system to future periods is subject to risk that procedures may be inadequate because of changes in conditions, or that the degree of compliance with procedures may deteriorate. Therefore, statements of reasonable assurance are provided within the limits of the preceding description.

The evaluation was performed in accordance with the guidelines identified above. The results indicate that the system of internal accounting and administrative control of DoDEA in effect during the fiscal year that ended September 30, 2002, taken as a whole, complies with the requirement to provide reasonable assurance that the above-mentioned objectives were achieved. This position on reasonable assurance is within the limits described in the preceding paragraph.

The Department of Defense Education Activity (DoDEA) – A Worldwide School System

The Department of Defense Education Activity (DoDEA) is a Department of Defense (DoD) field activity operating under the direction, authority, and control of the Deputy Assistant Secretary of Defense (Military Community & Family Policy). DoDEA is comprised of the DoD Dependents Schools (DoDDS), the overseas school system, and the DoD Domestic Dependent Elementary and Secondary Schools (DDESS), the domestic school system. These school systems provide a world-class education program that inspires and prepares all students in the military communities around the world to be successful and responsible citizens in a dynamic global environment.

During Fiscal Year (FY) 2002, DoDEA, with a budget totaling \$1.5 billion provided educational services to 106,187 students by 13,435 employees (full-time equivalents) at 224 schools. In addition, DoDEA provided tuition and transportation financial assistance to 2,366 eligible DoD students at non-DoD schools in 100 countries where there were no DoD schools available. An additional 1,873 students were provided tuition and transportation financial assistance for enrollment in local public schools in four states.

Significant Management Control Enhancements and Accomplishments in FY2002

Accountability Profiles and Reports

The DoDEA Community Strategic Plan (CSP) outlines the goals that are the vehicles for moving DoDEA toward the vision of “an organization without boundaries, united in purpose with the community, and with the latest technology to empower students.” The CSP also establishes benchmarks, or measurable outcomes, for each of the goals. The Accountability Profiles present data at the system, district, and school levels related to the attainment of the priority benchmarks of the CSP. The data provided in the Accountability Profiles are utilized as follows:

- to assess system-wide attainment of educational goals
- to influence the initiation of school initiatives
- to understand the local context of school programs
- to influence the making of educational decisions
- to provide essential information for school improvement
- to provide meaningful standards for evaluation of program success

The Accountability Report summarizes system-wide data related to the attainment of the priority benchmarks of the Strategic Plan and provides information comparing DoDEA schools

to public schools in the United States. This report is published in keeping with the commitment DoDEA has made to its stakeholders to full disclosure and regular accountability in all areas of importance to its students and communities.

North Central Association and other Accrediting Associations

All Department of Defense Dependents Schools (DoDDS) are evaluated by the North Central Association of Colleges and Schools (NCA) on a 5-year cycle. All K-12 schools are evaluated for accreditation purposes over the 5-year period. The data gathered through this process as reported by NCA are utilized for school improvement and for accountability purposes. Department of Defense Domestic Elementary and Secondary Schools (DDESS) are evaluated through a similar process by the accrediting association operating in the states in which they are located. The results of these external evaluations are utilized in the same manner as those completed for DoDDS.

These evaluations by external organizations provide an objective view of the effectiveness of school operations and school effectiveness that will result in better utilization of resources.

High School Programs Study

Beginning in fiscal year 2003, additional funds were obtained to support the Quality High School Initiative developed at the Department of Defense Education Activity (DoDEA) High School Symposium held in October 2001. The initiative makes the following programs available to students in every high school: Advancement Via Individual Determination (AVID), reading support classes, Algebra I support classes, and Advanced Placement (AP) courses in English, foreign languages, mathematics, sciences, and social studies. The initiative will also place at least one assistant principal in each high school, provide the staffing and infrastructure necessary for improved distance learning and distributed education courses, increase staffing in counseling, and upgrade professional technical programs. All high schools will receive resources for these improvements, regardless of their size or location. DoDEA will evaluate the high school programmatic increases to determine if quality educational programs are provided to all high school students regardless of where their parents are stationed. The results are shared with stakeholders and are used to guide future decisions concerning course offerings, curricula, and educational programs. Ultimately, the results may affect the utilization of resources.

Curriculum Review Cycle

The curriculum review cycle (CRC) assures that each curriculum area is evaluated for program needs on a regular basis. As the first step in the CRC, a comprehensive review of curriculum/program needs is conducted by the appropriate Instructional Program Specialist. Input is solicited from teachers, administrators, students, and parents during the review process. This important review process assures that resources are being expended to meet the needs of students and of other stakeholders. The CRC also assures that appropriate staff development activities are implemented for teachers as new materials are introduced into their classrooms. Each step in the CRC helps to ensure that resources are being utilized in the most effective manner possible. The Education Directorate has worked to streamline and automate the CRC

thus dramatically reducing the time required to evaluate vendor proposals and respond to contracting enquiries. The improved process has increased the accuracy of data collected during the materials review and it ensures that all evaluators' responses are available and completed for the contracting officials.

Standardized Testing Program

DoDEA has a comprehensive standardized testing program at selected grade levels. The results of these tests help to evaluate the effectiveness of instructional programs and to make adjustments based upon test results. The test results also help to provide a comparison of DoDEA schools with students throughout the United States. In addition, test results are used to report to stakeholder groups and as data to support school improvement plans.

Public Information/Communications

Points of contact have been added to improve the communication infrastructure throughout DoDEA. Public communications have increased considerably with FY 2002 within DoDEA. This is evidenced by the introduction of responsible professionals for each area and district office within the organization (domestic and overseas). Although many of these professionals have other significant duties, establishing area and district points-of-contact on public communications issues/requirements dramatically improved contact with various public communications vehicles.

Methods of information distribution of materials and information to districts and schools have been markedly improved. The establishment of area and district points-of-contact for public communications has established a corporate image for DoDEA leading to accuracy in information dissemination.

The DoDEA Office of Communications has undertaken significant analysis of component effectiveness. The evaluation and testing techniques utilized:

- In-depth survey of schools, districts, principals, and superintendents to determine the effectiveness of various communication vehicles.
- Detailed analysis of DoDEA web site visitors using professional statistical software.
- Ongoing evaluation of the nature of press articles reporting on the DoDEA.

The Personnel Center modernized operations by web-enabling its outdated paper systems to reduce losses, improve customer service, lower the down time of services and reduce DoDEA's financial liability by implementing the following automated systems and services.

Travel Order Processing System (TOPS)

Fully implemented, the automated Travel Order Processing System (TOPS) is in full use throughout the agency. TOPS permits employees to electronically submit and receive travel

order requests anywhere in the world via the internet. The system also allows employees to check the status of their orders, resulting in fewer inquiries, a marked increase in processing time, a drastic decrease in errors, and a substantial cost savings each fiscal year.

DoDEA Allowance Processing System (DAPS)

The online DoDEA Allowance Processing System (DAPS) was deployed this fiscal year. The program is assessable via the internet and allows employees to submit their requests for Temporary Quarters Subsistence Allowance, Living Quarters Allowance, Foreign Transfer Allowance, Post Differential and Advance Pay from any location in the world where they have access to the Internet. Similar to TOPS, DAPS has resulted in fewer errors, increased productivity, and a substantial cost savings.

Integrated Database (IdB)

The Integrated Database (IdB) is in full use throughout the Personnel Center. IdB is an application encompassing various Operations and Staffing Branch data elements to assist in tracking and processing of educator actions within a given school year. The application maintains data from teacher recruitment/placement efforts, teacher transfer program, summer recess appointments, and school year start up pay inquiries, passport processing and education workshops. Standardized entries and centralization of the information assists the Personnel Center employees with completing the various programs quickly and accurately.

Employee Benefits Information System (IBIS)

The Personnel Center implemented a new service for employees called the DoDEA Employee Benefits Information System (EBIS), which is an application allowing employees access via the World Wide Web for important benefits information around the clock. This system provides employees greater access and control of information pertaining to the Thrift Savings Plan, Federal Employee Health Benefits Program, and the Federal Employee Group Life Insurance Program. The EBIS also allows employees to access their current benefits information and make selected changes directly to their Personnel Records using web technology rather than submission of paper form changes, which may get lost or misplaced.

Educator Career Program (ECP)

The database for the results of the Educator Career Program (ECP) panel has been web-enabled. Once the rating data has been input, a message is sent to all ECP applicants, advising them to view their ratings on the web. This also gives ECP registrants the ability to revise their preferred geographic locations at any time.

The ECP announcement and application process was revised for school year 2003-04. The ECP announcement was posted earlier this year, allowing educators more time to complete their application. The Knowledge, Skills, and Abilities (KSAs) portion of the application was revised and aligned with the DoDEA Community Strategic Plan and Interstate School Leaders Licensure Consortium.

Pilot Program Implemented for DoDDS Educator Transfer Program

A pilot program for the DoDDS Educator Transfer Program was developed and implemented this year with the goal of overcoming major barriers to transfers, particularly out of hardship locations. Major changes included required reporting of vacancies, projected elementary school vacancies by district, posting of vacancy lists prior to each transfer round, and using vacancies created as a result of a transfer match for the next transfer round. A total of 359 transfers were made, which is the largest number since school year 1999-2000. The program resulted in 41 percent of transfer applicants being placed, 31 percent of those placed receiving their first location choice, 13 percent of those placed receiving their second choice, and 182 educators receiving transfers out of hardship areas.

Employment Application System (EAS)

The Employment Application System (EAS), a web based educator application process was implemented. The implementation resulted in elimination of lost or misplaced hard copy applications, increased efficiency, and a significant increase of applicants in the database. In May 2002, the deployment of another functionality of EAS, the Automated Referral System was completed. Drawing on EAS data, the system generates referral and selection lists with candidates listed in priority order of consideration. These lists are transmitted electronically to the school principal, who has the opportunity to view any application online prior to selection of a candidate. These applications assist DoDEA recruiters and school administrators with selecting the best candidates for a top quality teacher workforce.

Procurement Chief Added to Director's Executive Cabinet

The Chief of the Procurement Division was added to the Director's Executive Cabinet to enhance the agency's management planning and control activities through greater visibility of the contracting function, and its integration into the agency's overall efforts toward more efficient, cost effective execution of program initiatives.

Throughout the course of its contracting and acquisition management activities, DoDEA endeavors to ensure that its procurement related functions are efficiently and effectively carried out in accordance with all applicable laws and management policies; and that sound internal control processes are integrated into the day-to-day practices of all Procurement Division managers. To better achieve these goals, the Procurement Division experienced the following changes over the past year:

Delegation of Head of Contracting Activity

Pursuant to the provisions of the Federal Acquisition Regulation (FAR) and DoD FAR Supplement (DFARS), the Director of DoDEA, as Head of the Contracting Activity (HCA), assigned to the Chief of the Procurement Division all delegable HCA functions. This decision has served to consolidate management controls over the contracting process; improved the

efficiency with which unauthorized commitments and other administrative matters are resolved; and enhanced the Chief's ability to effect functional improvements in the operation of agency procurement offices.

During this period, the Procurement Division undertook a comprehensive review of all its policies and procedures to eliminate redundancy, and consolidate agency wide contracting guidance into a comprehensive system of Administrative Instructions (AIs). The Division has identified policies and procedures requiring updating; formulated a schedule of target dates for their completion; and assigned subject matter experts for doing so. All internal policies are currently being reviewed and updated.

Automation of Worldwide Contracting Operations

The Procurement Division continued to automate DoDEA's worldwide contracting operations through the adoption of COMPRIZON as its baseline system for the requisitioning and processing of requirements for supplies and services. This action is part of DoDEA's long term transition to a web-based procurement environment designed to standardize and simplify the ordering process at all levels of the organization, and afford management the ability to continually monitor the progress of individual procurements and the agency's contracting program as a whole.

Mandatory Use of Government Credit Cards

In FY 2001, DoDEA implemented the mandatory use of Government credit cards (IMPAC) by its schools and districts for micro-purchases of supplies and services. This led to the downsizing of DESPO to the point where its main functions at the start of FY 2002 were the curriculum source selection process, and the issuance of delivery orders against the contracts it awarded.

DoDEA Logistic Program Improvements to Increase Operational Effectiveness

- Developed policies to improve the prioritization process for military construction and maintenance; increasing the involvement of the stakeholders, increasing the documentation, and establishing formal procedures and timelines.
- In the process of developing a comprehensive, long-term school plan through the use of a computer-assisted facility management service that will provide immediate access to information needed to make informed strategic planning decisions. The program aids in the identification of facility information (through a relational database), such as location, structures, student population, manpower staffing, equipment, furniture, etc. and provides computerized drawings of floor plans. Additionally, management reports produced by this system may be used to:
 - Improve the preparations for budget and POM submissions, hearings, and the PDB process. Support the development of justifications of MILCON and maintenance projects.

- Increase staff personal knowledge of project requirements and justification through visits to schools and installations. Increase the use of photographs and videos to document conditions and requirements.
- In the process of revising and updating standards (education specifications) in the areas of facility construction and maintenance.
- Documents the requirements for square footage, special features, technology, and new or non-standard requirements.
- Develops designs and provides new asbestos abatement projects at selected DoDDS and DDESS facilities through the integration of results from tri-annual surveys.
- Established standards for facilities, furniture and equipment. Inventories were conducted to identify deficits and additional costs over a 5-year period for effective budgeting.

Information Technology Accomplishments

The following information technology policy, regulations, and processes were implemented to ensure efficient and effective management of information technology resources:

- Communication Security, Information Systems Security, and Information Assurance Vulnerability were enhanced to restrict unauthorized access and impose denial of service.
- New System Requirement Process which established an approval process with milestones and timeframes.
- Computer Software Privacy monitoring to ensure software license management.
- Introduced new software management systems to more efficiently manage UNIX-based computing resources and implemented an uninterruptible supply system to reduce power fluctuations.
- Reduced the number of computer servers to increase manageability with increased capacity.
- Installed Network Intrusion Detection Systems to detect attempts to compromise the DoDEA Headquarters System.

Comptroller Accomplishments For Increased Management Efficiencies and Accountability

The following Comptroller initiatives were implemented during FY 2002:

- The full implementation of the Program Budget Accounting System (PBAS) at Area Director and District Superintendent Offices (DSO) levels was completed. There were no Anti-Deficiency Act violations in FY 2002 relating to PBAS.

- During FY 2002 there has been an increased awareness for major system automation to improve the efficiency and accountability of the budget and accounting processes. Comptroller has elevated the priority for system automation projects and is planning for the future acquisition and implementation of two major systems to replace the current semi-automated and automated systems for the budget and accounting branches. Various accounting systems are being considered, e.g. the DFAS Corporate Data Base and the Standard Accounting and Reporting System-Field Level (STARS-FL), to replace the current operating accounting system. These increased efforts for system automation will result in established milestones for planning in FY 2003 for replacement of the accounting system with possible implementation in FY 2004, if an adequate system can be found.
- The revised Financial Management Code Directory (FMCD) was put into effect in FY 2002. The revised code directory provides better descriptions of cost elements which will allow users to more easily determine where costs should be charged.
- Per recommendations made in the Institute for Defense Analyses (IDA) Study, the Comptroller now reports directly to the Director, DoDEA. This organizational change has resulted in greater efficiency in the administration of the DoDEA financial management process.
- The Defense Travel System - Tailored (DTS) is scheduled to be implemented at DoDEA HQ by the end of FY 2002. Full DTS is scheduled to be implemented by March 2003. The system will provide complete tracking of agency ordered travel from preparation of travel orders to the submission of the travel claim and posting of associated accounting transactions.
- Review of management reports was an ongoing process used by all branches of the Office of the Comptroller. Performance measures were monitored through use of regulatory references, and other criteria. Obligations and expenditures of budgetary resources were monitored and controlled with the development of performance targets and measures to ensure compliance with applicable regulations. Analysis of performance reports, evaluations of trends, and comparison of results to targets were accomplished. Unexpected results or trends were investigated and corrected for accuracy, completeness, and appropriate authorization of transactions.

EEO Web Site Provides Training

A training block on harassment in the workplace has been added to the web page. This gives all employees, supervisors, and administrators access to information.

Determination of Reasonable Assurance Status

DoDEA's managers are responsible and held accountable for implementation and integration of appropriate management controls through a well-defined reporting process and the

judicious use of performance standards. Implementation of a management control process involving a number of steps and phases assists managers in fulfilling their responsibilities and provides reasonable assurance of compliance with the internal accounting and administrative control standards prescribed by the Comptroller General. Annually, DoDEA publishes, as a planning and management tool, a timeline for completion and reporting on the DoDEA MC process phases. The phases cover the identification, evaluation, and reporting on assessable units; level of risk to fraud, waste, and mismanagement; training, management control plans, material weakness, and the preparation of an Integrity Act Annual Statement of Assurance. For FY 2002, DoDEA simplified the MC reporting process through the elimination of redundant informational requirements and by minimizing the reporting of administrative information. The DoDEA annual statement of assurance is based on the Integrity Act statements of assurance prepared by DoDEA's senior managers. The 35 senior managers, represented by three field directors, associate directors, DoDEA headquarters division chiefs, district superintendents, and senior program managers, provided total coverage of DoDEA's administrative, functional, and operational activities. The statements prepared by DoDEA's senior managers followed the guidelines provided by the Office of the Secretary of Defense and the DoD MC program objectives outlined in DoD directives and instructions. Specifically, the annual statements provided by DoDEA's managers provided reasonable assurance of achievement of the following management control objectives:

- Programs achieve their intended results.
- Resources are used consistent with agency mission.
- Programs and resources are protected from waste, fraud, and mismanagement.
- Laws and regulations are followed.
- Reliable and timely information is obtained, maintained, reported and used for decision-making.

In addition, the annual statements provided by DoDEA's senior managers provide background information about their activity, innovation/enhancement/integration events and effects, MC training activities, and details on program execution. The senior managers' annual statements will be consolidated and published to provide an internal resource for the cross-feed of program information.

During the fiscal year, DoDEA's managers successfully completed and reported on evaluations of their systems of management control. All of the Integrity Act annual statements of assurance prepared by DoDEA's managers presented an unqualified statement. The use of technology resources continues to benefit the DoDEA management control process by reducing labor-intensive administrative processes. As an example, the use of imaging software and e-mail precludes the need for sending printed documents through the postal service. Planned use of information technology to automate the dissemination, collection, and analysis of management

control information will provide further benefit by reducing administrative processes while enhancing the timely distribution of information.

The successful completion of the DoDEA MC process and the annual Integrity Act statements of assurance prepared by DoDEA's senior managers provides a sound basis for the statement of reasonable assurance that DoDEA's systems of management controls fulfill the objectives of the Federal Managers' Financial Integrity Act of 1982 (FMFIA).

Results of the Evaluation

DoDEA's managers reported on their systems of management controls in completing the five phases of the DoDEA Management Control Process. The results reported by management for the five phases are summarized below.

In completing Phase I, the responsible managers identified the assessable units for which they were responsible and assigned a level of risk (fraud, waste, abuse, and mismanagement) to each of their assessable units. As summarized in the table below, for FY 2002 DoDEA's managers performed 106 evaluations of the high-risk assessable units from the total of the 590 assessable units identified in DoDEA's assessable unit inventory.

Number of Assessable Units Reviewed by Fiscal Year and the Perceived Level of Risk Assigned			
FY 2002	FY 2001	FY 2000	Level of Risk
106	137	137	High
233	202	202	Medium
251	251	251	Low
590	590	590	Total

During Phase III of DoDEA's management control process, DoDEA's managers prepared their management control plans for performing, in the following year, reviews of vital management controls having a perceived high level of risk. The result of performing the managerial reviews was the reporting of material weaknesses in eight of the annual statements prepared by DoDEA's senior managers.

Alternative Management Control Reviews

During FY 2002 the Office of Compliance and Assistance processed, as alternative management control reviews, 21 Defense Hotline Program complaint referrals and 18 hotline-type complaints made either directly to DoDEA or through the Inspector General offices of the Military Services. The following table reflects the number of DoD Inspector General Hotline referrals by their DoD management control category for Fiscal Years 2002, 2001 and 2000. The examinations performed of the allegations in the referrals did not disclose any systemic weaknesses in DoDEA's system of management controls.

Number of Referrals by Fiscal year and DoD Management Control Category

FY 2002	FY 2001	FY 2000	DoD Management Category
2	0	2	3. Procurement
1	1	0	4. Contract Administration
0	0	4	7. Supply Management
1	2	0	9. Communications/Security
1	0	0	10. Information Technology
10	17	21	11. Personnel/Org Mgmt
2	4	2	12. Comptroller and/or Resource Management
3	5	8	13. Support Services
1	2	2	15. Other (Transportation)
21	31	39	Total

Audit, Evaluation, and Review Support by External Activities

The General Accounting Office (GAO). During FY 2001-02 DoDEA participated in three reviews conducted by the GAO.

“BIA AND DoD SCHOOLS. Student Achievement and Other Characteristics Often Differ From Public Schools”. (GAO-01-934).

The review was initiated in June 2000 and completed in July 2001. The final report was released in September 2002. The report indicated that the “DoD students perform at or near the national average on college admission tests, and nearly all DoD teachers are fully certified for the subjects or grade levels they teach, and about two-thirds have advanced degrees. Access to computers and the internet is better than public schools, and nearly all DoD administrators said that technical support is available in their schools. Estimated per-pupil expenditures at DoD schools overseas were higher than those for U.S. schools, mainly because of the costs involved in moving and housing teachers and staff overseas.”

Recommendations or follow-up actions were not stated in the report.

Study of the Adequacy of Compensation for Teachers in the DoD Overseas Schools (GAO Code 130119). The objectives of this study are to determine whether the compensation provided for teachers is adequate for recruiting and retaining high quality teachers and whether revision of the Defense Department Overseas Teachers Pay and Personnel Practices Act (20 U.S.C. 901 et seq.) or the regulations under the Act is advisable to address any problems identified by the study. This review was started in March 2002. A draft report is expected in October 2002 and a final report in December 2002.

DoD Contractor/Education/Experience Mandate. (GAO Code 310439) Public Law 106-398 directed the General Accounting Office to review agency compliance with the

Federal Acquisition Regulations (FAR) Section 39.104. This review was initiated in August 2002.

The Department of Defense Inspector General (DoDIG) Audits. During the reporting period, DoDIG conducted seven audits within DoDEA including audits of:

DoD Payroll Withholding Data for FY 2000 (Report No. D-2002-070). DoDEA concurred with the need for improvements in the accuracy and timely processing of payroll withholding data and cited the implementation of the Employee Benefits Information System (EBIS) as a major improvement. Report issued on March 25, 2002.

Controls Over the Computerized Accounts Payable at DFAS Columbus (Report No. D-2002-113) DoDEA concurred with recommendations to improve controls over accounts payable and review Fast Payment procedures. Report issued on June 21, 2002.

Department of Defense's Compliance with Internal Use Software Accounting Standards (D-2002-127) The DoD Components including DoDEA did not comply with the reporting requirements of the Statement of Federal Financial Accounting Standard No.6, "Accounting for Property, Plant and Equipment," and the Statement of Federal Financial Accounting Standard No. 10, "Accounting for Internal Use Software." DoDEA concurred with recommendations to get into compliance with the Statement of Federal Financial Accounting Standards No. 6 and 10. Report issued on July 9, 2002.

Selected DoD Purchase Card Transactions (Project No. D2002CM-0117). This audit was announced in May 2002. Utilizing data-mining techniques, DoDEA reviewed selected purchase card transactions and provided results to the DoDIG in June 2002. No improper purchase card transactions were identified. Report publication is pending.

Audit of Allegations Regarding the Department of Defense Education Activity's Use of the Standard Procurement System. This audit was announced in May 2002. It will determine whether management's decision to procure a contract writing system other than the Standard Procurement System was adequately supported.

DoD Enterprise Resource Planning (ERP) Utilization (Project No. D2002FG-0218). This audit was announced in August 2002. The objective is to evaluate the status of ERP utilization within DoD and whether the ongoing and planned ERP efforts have made provisions to be integrated with the DoD Financial Management Enterprise Architecture and the nature of those provisions.

Centrally Billed Government Travel Card Program at Defense Agencies (Project No. D2002CK-0220). This audit was announced in September 2002. The objective of this audit will be to determine whether Defense agencies properly administered and appropriately used centrally billed travel cards.